



**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

January 31, 2006

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The Honorable Jack Brandenburg  
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Dear Senator Garcia and Representative Brandenburg:

On behalf of the Michigan Economic Development Corporation (MEDC), I am pleased to submit to you a review of the best practices of economic development programs in the other 49 states, as requested by Public Act 156 of 2005.

This report was directed by MEDC's executive leadership, and conducted by a third-party research firm. The document outlines not only the best practices at a program level across the nation, but also illustrates overarching themes from these programs—and identifies emerging trends and innovations that may become best practices in the future.

Highlights of the findings include the following observations:

- Economic development is a long-term commitment that must be measured longitudinally.
- Past economic development best practices do not necessarily predict the future accurately, perfectly, or completely.
- Continuity in operations and staff, which makes possible the development of valuable business relationships over time, may be the best economic development strategy.

The findings have already informed MEDC's leadership team and sparked robust internal discussion about next steps.

I look forward to reviewing the findings with you, and discussing how these best practices can be expanded to both existing and future programs of the MEDC and its local partners.

Sincerely,

James C. Epolito  
President & CEO

Enclosure

cc: Members, Senate Appropriations Subcommittee on Commerce, Labor and  
Economic Development  
Members, House Appropriations Subcommittee on Economic Development  
Ms. Mary Lannoye, State Budget Director  
Mr. Gary S. Olson, Director, Senate Fiscal Agency  
Mr. Mitchell Bean, Director, House Fiscal Agency

# **A Review of Economic Development Best Practices in 49 States:**

## *A Report to the Michigan Legislature*

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January 2006

***Prepared for***  
Michigan Economic Development Corporation  
Lansing, Michigan

***Prepared by***  
Public Sector Consultants Inc.  
Lansing, Michigan  
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# Executive Summary

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The Michigan Economic Development Corporation (MEDC) hired Public Sector Consultants Inc. (PSC) to identify and assess best practices of economic development programs in the other 49 states pursuant to Public Act 156 of 2005 (Act). Specifically, the Act called on MEDC to

conduct a study of the best practices of the economic development programs in the other 49 states and provide a report of its findings to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2006.

In this report we examine established programs and initiatives by states and national rankings as indicators of best practice, and include a discussion of trends on a macro-scale. While not an exhaustive study, this report provides a broad perspective on economic development practices and the role of state agencies in enhancing and improving the standard of living for its residents.

This review, conducted by PSC on behalf of MEDC, was accomplished by

- reviewing extensive literature for best practices awards, indexes, and rankings from a variety of national trade organizations and publications;
- performing literature searches of academic research studies; and
- conducting a limited number of personal interviews with economic development practitioners, business site location consultants, and corporate real estate executives across the country; and
- assessing economic development organizational structures (e.g., budgets, staffing level) in other states across the United States.

## BEST PRACTICES

As typically understood, *best practices* are defined as those programs, initiatives, or activities that are considered leading edge or exceptional models for others to follow. Best practices may be viewed as the best ways to perform a specific business function or process, such as developing or marketing a product. They are performance standards that others seek to emulate. Unlike a development theory, idea, or trend, best practices have been shown to return desirable (and often measurable) results.

It became clear during our review that the term “best practice” is defined differently in different contexts. The criteria used in rankings and indexes seemed to be highly variable; articles in trade magazines spotlighting successes sometimes appeared to be written for entertainment value or to support an editorial theme for that particular publication. In other cases, while collaboration in itself was recognized as a best practice, it is hard to discern the specific role of the state economic development agency from those of other partners. Whether recognition comes from publications or trade organizations, sponsored research or observation over many years, there is no agreed upon system that allows policymakers to rate economic development and best practice programs across the nation.

## OBSERVATIONS

This review of state agencies and their programs led to the following observations:

- Economic development is a long-term commitment that must be measured longitudinally.
- Even though an individual program or set of programs has been named a best practice, this does not mean that the program enjoys solid support in either the business or academic world.
- Awards and rankings are illustrative and indicative of best practices to a point. In many cases they are issued to agencies within a pool of applicants for the award. While this approach is a logical starting point for an analysis of best practices, other types of worthwhile programs may exist that are not an explicit part of such awards programs and should be further investigated.
- International programs in business attraction are evolving to include much more than business site selection.
- Continuity in operations and staff, which makes possible the development of valuable business relationships over time, may be the best economic development strategy.

Economic development and its many complex parts are interrelated and interdependent. Material and intellectual resources, transportation systems, labor training, energy, market penetration, and operational practices are all factors that must be linked and mature over time in order to achieve the best performance.

# Methodology

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The Michigan Economic Development Corporation (MEDC) hired Public Sector Consultants Inc. (PSC) to identify and assess best practices of economic development programs in the other 49 states pursuant to Public Act 156 of 2005 (Act). Specifically, the Act called on MEDC to

conduct a study of the best practices of the economic development programs in the other 49 states and provide a report of its findings to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2006.

As typically understood, best practices are defined as those programs, initiatives or activities that are considered leading edge or exceptional models for others to follow. This appeared to be the best place to focus such an analysis given the readily available information, including existing analyses of best practices as indicators for successful economic development programs.

While best practices can be used to help measure program effectiveness, it became clear to the research team that the term “best practice” often lacks a consistent definition. The criteria used in rankings and indexes seemed to be highly variable; articles in trade magazines spotlighting successes sometimes appeared to be written for entertainment value or to support an editorial theme for that particular publication. In other cases, while collaboration in itself was recognized as a best practice, it is hard to discern the specific role of the state economic development agency from those of other partners.

Therefore, the project team approached this project in the following manner:

- Since there was no single, shared definition of what constitutes a “best practice,” the research team used a very broad definition to guide the initial search—we would accept any example/model program, initiative, or activity that was considered by an independent third party to be leading edge or an exceptional model for other agencies to follow.
- To gather these best practices, the team accepted for review any program that had either (1) been named a best practice by an independent third party or (2) received an award from an independent third party.<sup>1</sup>
- From the resulting list of material—regardless of whether the program was identified through academic review or award—the research team gathered additional information about the nature of the program, services delivered to the client/community, and other background information.
- All programs were then reviewed for common programmatic themes (e.g., business retention vs. international development) and cross-cutting themes (e.g., not program-specific).

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<sup>1</sup>For example, an award to a local program from that state’s economic development agency was not considered for review (related parties). If that same local program received an award from a regional or national trade association, publication, or academic journal, it would be considered for review as a best practice.



This review was accomplished by

- reviewing extensive literature for best practices awards, indexes, and rankings from a variety of national trade organizations and publications;
- performing literature searches of academic research studies; and
- conducting a limited number of personal interviews with economic development practitioners, business site location consultants, and corporate real estate executives across the country.
- assessing economic development organizational structures (e.g., budgets, staffing level) in other states across the United States.

In the process of completing this review, additional related information was gathered that was outside the initial scope of the research question. PSC has included the information as appendices to this report, believing that much of the data presented in the three appendices represent the “next questions” that informed readers would have given the findings of the base report.

- Appendix A contains a summary of the organizational structures of state-level economic development agencies across the United States. Unfortunately, much of the most comprehensive data is from 2001–2002; an update to the data, covering 2005–2006, is expected to be released in April 2006.
- Appendix B contains a summary of Michigan programs that were cited as best practices. **Because Michigan was specifically excluded in the research question from the legislature, Michigan programs were specifically excluded from the best practice review.** Believing that a natural question after reading about the 49 other states is “What Michigan programs have received similar awards or mentions?” PSC has included in Appendix B any Michigan program that was identified by the research steps outlined above.

## INTRODUCTION

In 2005 the Michigan State Legislature passed a law requiring the Michigan Economic Development Corporation (MEDC) to “conduct a study of the best practices of the economic development programs in the other 49 states and provide a report of its findings to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2006.” This project was carried out by Public Sector Consultants (PSC) on behalf of the MEDC.

This search for “best practices” included review of

- state development websites;
- literature searches of national and trade magazines, journals, and research studies;
- reviews of indexes, rankings, and awards by various national trade organizations and publications; and
- a limited number of personal interviews with economic development practitioners, business site location consultants, and corporate real estate executives across the country.

Programs operated by state-level economic development agencies can have a number of purposes. Some are geared toward “start-up” companies and may offer assistance in developing products, obtaining capital, or helping companies begin operations. Some are intended to attract businesses to the state, spur new business development, or help existing companies train workers, create or retain jobs, or increase sales. Some may focus on reducing a company’s cost of doing business through direct cash payments or bond financing, assistance with relocation or expansion costs, and tax reductions, abatements, or credits. One agency seldom provides all of these services, but it may offer several of them through different programs or divisions (NASACT 2004).

Types of incentives grew from tax abatements and industrial revenue bonds in the late 1970s to include labor training, free or low cost land, special utility rates, and financial incentives including grants and subsidized loan programs. New efforts such as certified industrial parks, brownfield redevelopment authorities, enterprise zones, and military base reuse programs were devised to create attractive locations for corporate investment.

## TRENDS AFFECTING STATE ECONOMIC DEVELOPMENT EFFORTS

### ***Business Location Consultants***

Another recent major shift that is affecting business attraction is the growth of site-location consulting firms. Through mergers, acquisitions, and corporate restructuring, many firms that have provided downstream services to corporations in the past now have very active site location units. PriceWaterhouseCoopers, Ernst & Young, Kenneth Leventhal, Deloitte Touche Fantus, Wadley-Donavan, Fluor Daniels, CB Richard Ellis, KPMG, IBM, and many other recognizable names are now in the business.

This is not necessarily in the company's best interest according to Howard R. Silverman, president and CEO of CAI Corporate Affairs International, writing in *Business Facilities* magazine (Silverman 2003) "Bundling (of services) can also drive up costs, diminish quality of services, and present potential conflicts of interest." In spite of Mr. Silverman's warning, it appears from the growth of this service that it is here to stay and will help define future services provided by state agencies.

Many economic development professionals have left public and private agencies due to retirement or downsizing and have entered the location services business. This has led to a growth industry that places these service firms in a new role with state agencies in the location services industry. A company using a search firm may now go directly to a community, which in turn taps into state incentive programs with little involvement by the state account executives.

### ***Information Technology***

The task of compiling comparative site-location data continues to grow with the constant need for more information. The International Economic Development Council (IEDC) has developed site-selection data standards containing no less than 1,200 data elements organized into 25 spreadsheets (Garner 2006). Despite this effort to standardize the process of compiling and accessing the data, site selection remains a struggle between a company's customized need and a community's desire to emphasize their strengths.

Jay Garner of IEDC's board of directors says: "When it comes to data, location consultants find a good proportion of what they need on the Internet and through private providers before they ever come knocking on your door" (2006). He further points out that "for economic development professionals looking to control their data message to craft an attractive community profile, most of that control has already been lost to Internet and private database technologies." Nevertheless, companies still want to see what the state or community has to say, so care must be taken to collect and provide accurate data and information. Garner states that data standards also will give a community the ability to benchmark more easily with competitors.

### ***Business Attraction, Retention, and Entrepreneurism***

States appear to be focusing their attraction efforts on relationship-building and Web-based services. Electronic resources include data on demographics, employers, tax computation tools, site and facility databases, and industry studies. They also include links to many other resources including community websites, regional development organizations, higher education, utilities, travel and tourism sites, and others that provide "quality-of-life" information to inquiring prospective employers. Relationship-building activities include marketing to business site-location firms (discussed above), corporate real estate professionals, national and international banks, trade associations, and other intermediary groups that have an interest in finding and representing projects.

It has become common practice for companies with expansion plans to hire third-party business service firms to help streamline their business location efforts. Developing relationships with business service firms can include visits to their headquarters and attending conferences frequented by those firms such as CoreNet Global Summit, the

Industrial Asset Management Council (IAMC), and the International Economic Development Council. These key organizations hold multiple meetings or seminars annually, which provides several opportunities to connect.

Many state agencies also host groups of site consultants in a resort setting or at a major event in their state not only to make a sales pitch but also to have them experience the state's attributes firsthand. Once contacts are made, information, data, and websites become more effective and meaningful as communication tools.

Advertisements, mass mailings, and handouts have given way to the Internet and the electronic marketing techniques and cost-saving methods that this medium offers. Search engine positioning, data presentation, links to community sites, site and facility databases, and CD ROMs as information vehicles have revolutionized the marketing approach to executives that no longer have the time to thumb through brochures and catalogues.

As states look more within their borders to bolster economic expansion, they are giving new emphasis to business retention and expansion and new enterprise development, the latter meaning, in most cases, technology-driven enterprise. There is greater recognition of the value of existing firms with nearby markets, employees, and a resource base. Plus, with significant capital investment already in place these companies may be less likely to move away.

There is also a greater recognition of the interaction between local firms in promoting innovation, growth, and the formation of new companies. Industry councils and other groups that bring employers with common interests together are creating tangible and intangible value within communities through partnerships and consortia for everything from shared purchasing and technical training to education initiatives including student internships. The industry standard that 80 percent of new jobs will come from existing employers remains a common belief.

Attention to business start-up initiatives has increased markedly since the turn of the millennium. A review of websites reveals that most states have embraced policies to stimulate intellectual property development and commercialization efforts. For example, Wisconsin has developed the Wisconsin Entrepreneurs Network, a coordinated system of services for start-ups and entrepreneurs, and the Wisconsin Angel Network to link investors with entrepreneurs. Like many others, the state has established tax credits to encourage venture capital formation. Universities are promoting new business start-up programs to increase the potential of commercialization from research efforts.

A 2005 study commissioned by Connecticut Governor M. Jodi Rell singles out Georgia Tech's incubator as one of the nation's elite programs of its kind, along with M.I.T., Stanford, and Carnegie Mellon (Innovation Associates 2004). States continue to try to replicate California's Silicon Valley, North Carolina's Research Triangle, and Massachusetts' Route 128 by encouraging industry clusters in "corridors," "alleys," research parks, and other geographic configurations.

## **Community Development**

States are encouraging and assisting their communities' efforts to cope with evolving business trends by improving the local "quality-of-life" quotient. These factors are more important than ever in the corporate site search formula as the value of skilled workers has increased. Employers are going where they can attract and keep top talent. Downtown developments, residential choices, parks, trails, community and landscape design matters, education and safety are all very important (King and Keating 2004, pp. 65–69). Communities must develop, retain, and attract a skilled workforce and improve education. Local agencies are taking full advantage of the Internet by posting community quality-of-life data and information online knowing that much of a company's search takes place before they ever have direct contact with a state or community development agency (Garner 2006).

Businesses start their location search by looking for a site or facility that gives them proximity to their markets or their resource base. Although corporate managers now say that location decisions depend on a convincing business case, in the end it may be the availability of incentives that could sway the decision between one community and another, and that community may be in another state. States seem to be adjusting their risk-reward formulas when packaging incentives requiring performance measures, inserting clauses for nonperformance, and developing and implementing extensive audit procedures.

## **Global Influences**

Globalization is having a significant impact on state development organizations. From a competitive standpoint, globalization has affected both business attraction and retention initiatives. States used to compete with their neighbors; now they compete with China, India, Africa, and other emerging players. Where it once took hours to put together a competitive case to keep a business from locating in another state, it can now take years to develop business and political relationships in countries that have the capacity to underbid and overproduce our domestic entities. These countries also represent major markets that many U.S. firms must break into if they are to survive. State and community agencies and site location firms are fielding increased requests from international firms to introduce American companies that would be receptive to mergers, acquisitions, or joint ventures, which would allow those firms to gain a quicker toehold in the lucrative U.S. markets. The practice is causing international development and domestic business retention units within state agencies to conduct business in ways they never have before. Economic development staff may become aware of potential business partners that might find a strategic partnership with a foreign firm just what they need to increase their competitive position. However, relationship-building, the universal business development strategy, takes many years to establish trust in different cultures.

## Best Practices

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Conducting research on best practices can help characterize a problem and all its components and lead to a fuller understanding of possible solutions. The time spent reading and talking to people who have solved or tried to solve similar problems is likely to provide useful insights into underlying causes, strategies for change, and problems to expect along the way.

To help organize and present the information contained in this report, best practices are grouped under the following headings:

- Business Development (i.e., attraction and retention)
- Technology
- Development Finance (i.e., tax abatement, loans, grants)
- Community Development
- Workforce Development
- International Programs
- Tourism and Destination Management

### BUSINESS DEVELOPMENT

The goal of business development is to bring in external resources to foster the development of companies and industries serving a variety of market segments. These programs also provide assistance to developers wishing to establish business parks and incubators to create employment opportunities. Programs also provide assistance to commercial enterprises that require major revitalization efforts with the outcome of enhanced economic conditions for the commercial establishments and surrounding residents.

#### ***International Economic Development Council (IEDC) 2005 Excellence in Economic Development Awards***

IEDC is a prominent educational development organization of the economic development profession. It issues awards for “best practice” annually.

#### ***The Greater Coast Initiative, Savannah, Georgia***

The Creative Coast Initiative (TCCi) is a not-for-profit, private/public partnership that leverages Savannah’s unique blend of talent, leading-edge technologies, and exceptionally high quality of life to assist the growth and success of creative and technical businesses in the Savannah Coastal Region. It was founded in 2003 by the city and technology leaders, the Savannah Economic Development Authority, and others. TCCi primarily serves as a one-stop clearinghouse of information with access to all of Savannah’s governmental and educational organizations, as well as more than 350 area creative and technical businesses. TCCi directs relocating companies to the appropriate resources for business location information and services. ✓

### *Tennessee Valley Authority*

*TVAsites.com*, reported to be the world's largest GIS site-selection website enables corporate real estate professionals, prospective companies, site consultants, and others to locate optimal properties throughout the Tennessee Valley's 80,000 square miles and 1,568 sites listed.

### ***2005 Business Retention & Expansion International Award***

Awards are given annually by Business Retention & Expansion International, an economic development professional development organization based in Bismarck, North Dakota, [www.brei.org](http://www.brei.org).

### *Foundations for Growth, State of Alabama*

Foundations for Growth is a statewide initiative established by the Economic Development Partnership of Alabama to focus attention on existing industry, provide local developers with a tool to enhance community existing industry efforts, and develop a uniform system for the collection and analysis of information on their industrial base. The goal was to provide a framework around which communities can develop their existing industry outreach program to match local needs and resources, yet collect consistent information on the companies interviewed. The Synchronist software developed by Blane, Canada Ltd. was used to gather data. Participation by local economic development agencies is growing quickly. The Foundation was founded in 2003.

### ***Site Selection Magazine's Top10 Economic Development Organizations for 2004***

Each year *Site Selection* selects its top ten organizations across the United States and Canada. The top list for 2005 has not been announced yet; it will appear in the May issue.

### *Greater Dallas Chamber, Dallas-Fort Worth-Arlington, Texas*

The Greater Dallas Chamber was selected as the best from the top ten list and is the only repeat winner from the previous year (2003). The DFW Chamber attracted 277 corporate facility projects in 2004 (most in America) and \$3.04 billion in new capital investment ✓ (fifth in the United States). Projects included one that is believed to be the largest single job-creation announcement in the nation in the past four years: Countrywide Financial's expansion that will bring a total of 7,500 jobs to the area. Other large financial employers include Bank One's \$40 million printing plant and Citibank's \$200 million data center.

### *Fairfax County Economic Development Authority (FCEDA), Fairfax County, Virginia*

Rapidly expanding defense contractors and research organizations cashing in on homeland security have helped bring over 25,000 new jobs to the county with the ✓ assistance of the FCEDA. The largest job announcement and one of the largest in Virginia history was the Booze Allen Inc. project investing \$133 million and creating up to 4,600 jobs over the next five years. The new jobs will pay an average annual wage of \$79,000. The FCEDA's Capital Attraction program links technology entrepreneurs with

potential investors, and the Authority also maintains offices in London, Frankfurt, Tokyo, Tel Aviv, and Bangalore.

*Nashville Area Chamber of Commerce/Partnership 2010, Nashville, Tennessee*

The Nashville Chamber's Partnership 2010 has always been impressive as an organization and in the support they have received from the private sector and the state. In 2004 *Site Selection* named it a top 10 economic development organization because of its stellar showing in 2003, with \$861 million in capital investment and 9,157 new jobs. Along with Southern Container from New York, corporate headquarter relocations included Asurion, Caremark Rx, CLARCOR, Louisiana Pacific, and Quanta Computers. ✓

**Office of Advocacy of the U.S. Small Business Administration**

In 2005 the Office of Advocacy sponsored a conference titled "Putting It Together": The Role of Entrepreneurship in Economic Development, to highlight state initiatives demonstrating market-based results.

*Wisconsin Department of Commerce*

In March 2004 Senate Bill 100 was signed, which reduced the negative impact of regulations on small businesses in a range of areas. The bill also appointed a Small Business Regulatory Coordinator to each agency to act as liaison and established a Small Business Regulatory Review Board to enforce components of the Regulatory Flexibility Act.

**The Economic Development Administration (EDA)**

2005 Excellence in Economic Development Awards are given annually by the EDA to acknowledge excellence in economic development in distressed areas.

*Greater Louisville, Inc., Satsop Development Park, Grays Harbor public Development Authority, Kentucky*

The park uses the site of a partially completed then abandoned nuclear power plant. Four hundred acres were split off from the original site for a mixed-use business park; cooling towers and outbuildings from the original construction remain on the site. Currently, 18 businesses with a workforce of over 400 people occupy the park. ✓

**Corporation for Economic Development (CFED)**

*Wisconsin Angel Network (WAN)*

The WAN was listed as a "Promising Practice" because of its innovative approach to securing capital for start-up, product development, and market research. The program focuses on increasing the number and amount of seed-stage equity investment dollars in the state. It supports the process with a sustainable umbrella organization to provide logistical services and support to the angel investing networks.



## TECHNOLOGY

Best practices awards in this category relate to the application and deployment of technology to streamline processes, increase efficiency, and reduce costs.

### ***Office of Advocacy of the U.S. Small Business Administration***

#### *Idaho's "TechConnect" Program*

According to the Office of Advocacy of the U.S. Small Business Administration, this program is considered one of the best programs in the United States for promoting high-technology entrepreneurship. There are three TechConnect offices throughout the state working to strengthen early-stage science and technology companies. The offices use a combination of education, networking, venture capital, and nurturing collaboration between government and business. One of the program's more innovative features is the use of university students to support entrepreneurial development in a program called TEAMS.

#### *The Maryland Technology Enterprise Institute at the University of Maryland's "Maryland Industrial Partnership Program"*

The MIPS program helps companies by offering matching funds for technology-based R&D projects conducted by the University System of Maryland faculty. The program lays claim to several successful commercial technologies, including: Synagis, the tenth top selling biotech drug in the world; DIRECWAY, the first Internet satellite product available to the public; and Formulaid, an infant formula additive licensed to over half of infant formula manufacturers. The program works to connect companies' specific needs with appropriate faculty from any of the University System's 13 institutions.

### ***International Economic Development Council (IEDC) 2005 Excellence in Economic Development Awards***

#### *Putting Imagination to Work*

##### *Metro Orlando Economic Development Commission, Florida*

From a "thinking-outside-the-box" advertising campaign to the development of a new magazine focused on the region's tech sector to attracting new technology companies to the area, the Metro Commission is helping grow the region's "other mouse." The effort, which is paying off with more job opportunities, a greater national awareness of the region's technology sector, and an evolving infrastructure for local tech companies, involves a consortium of private businesses, government, and nonprofit associations. The program is primarily a marketing campaign and networking and referral service. ✓

### ***Recognition Awards 2005, National Association of State Chief Information Officers***

NASCIO represents state chief information officers and information resource executives and managers from the 50 states, six U. S. territories, and the District of Columbia. State members are senior officials from any of the three branches of state government who have executive-level and statewide responsibility for information resource management. Representatives from federal, municipal, and international governments and state

officials who are involved in information resource management but do not have chief responsibility for that function participate in the organization as associate members. Private-sector firms and nonprofit organizations may join as corporate members.

**Award for Communications Infrastructure:** Initiatives or facilities to promote economic development, interoperability, and improve quality of life by facilitating or providing communications capabilities that enable state government to operate more efficiently and effectively or offer more innovative, responsive and personalized services to citizens.

#### *North Carolina Taxpayer Assistance and Collection Center*

The North Carolina Taxpayer Assistance and Collection Center was implemented in October 2003 as a joint project between the North Carolina Department of Revenue (DOR) and the North Carolina Office of Information Technology Services. The purpose of this project was to implement a centralized taxpayer telecommunications service center that would serve as the main gateway for interaction between DOR and the citizens of North Carolina. It was part of an overall Project Tax Collect initiative to increase the tax collection revenues for the state.

**Award for Digital Government: Government to Government:** For digital government initiatives aimed at enhancing government to government interaction, transactions, and/or services.

#### *Utah CommuterLink Program*

In 1996, the Utah Department of Transportation (UDOT) launched a statewide traffic management program, referred to as CommuterLink. Since its inception, CommuterLink has become a national role model for its effectiveness, cross-jurisdictional operations, and innovative use of technologies.

**Award for Enterprise Information Architecture:** This category included design, development, or implementation of a solution-based enterprise architecture framework, consisting of technical, business, and information architectures.

#### *North Carolina Statewide Technical Architecture*

By design, the North Carolina Statewide Technical Architecture (NCSTA) has become engrained in the IT culture of state government and within the vendor community. The effectiveness of this implementation has been accomplished through establishing clear architectural documents, processes, governance, and a statewide IT procurement model. This framework helps ensure that the technology solutions agencies implement are aligned with business requirements and consistent with the principles, standards, and practices outlined within this body of work.

**Award for Security and Business Continuity:** This category encompasses IT security projects, as well as business continuity initiatives as they relate to disaster recovery, business recovery, business resumption, contingency planning, homeland security, bio-terrorism, and health alerts.

### *North Carolina Statewide Security Initiatives Program*

In 2004, North Carolina undertook an assessment of the information technology security posture of its executive branch agencies, identifying areas that needed improvement. The security assessment documented broad areas where security was needed to protect the confidentiality, integrity, and availability of the public's data. The cost of improvements recommended totaled \$53 million, including \$39 million to replace outdated desktops.

## **DEVELOPMENT FINANCE**

Numerous financial programs are designed specifically for economic development activities. These programs range in their application from small business development to large redevelopment projects. Development finance includes a broad array of tax abatements and grant and loan programs.

### ***CoreNet Global, Inc., 2005 Economic Development Leadership Accomplishment Awards***

Applicants were solicited from members of CoreNet Global, the largest organization serving members of the economic development and corporate real estate community. The following were awarded recognition for leadership and innovation:

#### *Pennsylvania Department of Community and Economic Development*

- (1) The state's economic development financial package leverages \$2.3 billion in bonds and loan guarantees, includes an research and development tax credit program, and resulted in the state seeing a 65 percent increase in successfully completed projects and a 76 percent rise in new business.
- (2) Up to \$5 billion in capital investment was projected through the state's economic stimulus package, with the top 10 deals of 2004 generating that total, including Comcast, Merck, Olympus, Fairchild Semiconductor, Alcoa, and Advance Automotive.

#### *City of Farmers Branch, Texas*

An innovative local incentives package that resulted in the location of Morgan Investment Services' global investment service division through \$1.2 million in annual property tax abatements, \$1.6 million in sales tax exemption and \$932,342 in training grants. ✓

### ***International Economic Development Council's (IEDC) 2005 Excellence in Economic Development Awards***

#### *The City of Moraine (Ohio) Forgiveness Loan Program*

This is a new program that in its purest form uses a job creation/retention formula that secures a substantial taxable payroll for a company for a specified number of years, and in return the business or "committed pledger" gains a forgivable incentive that retires the debt incrementally by percentage during the life of the agreement. The formula for the program assures that the amount appropriated will be returned in three to four years yielding a respectable return. The program is the premier financial incentive tool in the Miami Valley. It provides a mechanism for ensuring business commitment by ✓

implementing local control provisions, such as payback for nonperformance or promissory agreements.

## **COMMUNITY DEVELOPMENT**

These programs are intended to improve the quality of life in a given community. They may involve special zones, infrastructure projects, downtown revitalization, or transportation improvements.

### ***International Economic Development Council's (IEDC) 2005 Best Practice Awards***

#### **Award for Volunteer Tax and Loan Program**

*Alaska Department of Commerce, Community and Economic Development, Alaska Business Development Center, Inc., University of Alaska*

This program received an honorable mention. The program was acknowledged for its cooperative effort with the University of Alaska, sending advanced students and professors of accounting to communities to help residents prepare their taxes. The free assistance resulted in \$2.9 million in refunds, generating approximately \$20 million in economic activity.

#### **Award for Community Leadership and Economic Development Program**

*Louisiana Department of Economic Development, Louisiana State University Agriculture Center, Association of Louisiana's Electric Cooperatives, Louisiana Police Jury Association, the Louisiana Public Facilities Authority, and Cleo Power*

Category winner mention from the IEDC for the 2005 Best Practice Awards, this program was created in 1994 to offer a "hands-on" course for anyone interested in helping his or her community thrive in the new millennium. It functions as a community self-help program, bringing together county residents to learn more about their parish land and develop the skills necessary to work on major issues.

#### ***Georgia's Intellectual Capital Partnership Program Health Professionals Initiative***

This program received an honorable mention from the IEDC for the 2005 Best Practice Awards. It was developed by the Board of Regents for Georgia's university system in 1995. The goal is to connect the business community and public university system in creative ways, with fast-track programs tailored by the schools to fulfill professional needs. With the Health Professionals Initiative, ICAPP will help more than 1,300 Georgians become licensed health professionals through the first two phases of the program, using a public-private partnership that addresses a critical shortage of health care workers while generating an annual payroll of \$45.2 million and an estimated \$2.7 million each year in state income taxes.

***International Economic Development Council (IEDC) 2005 Excellence in Economic Development Awards***

***The Wharf at Rivertown, Conshohocken, Pennsylvania***

A good example of “adaptive reuse,” the Wharf at Rivertown is a 90-acre, mixed-use development on the Delaware River. Complex demolition of this former power plant required the removal of 14 massive boilers, five turbines, and two large coal bunkers without damaging the historic structure. Steel, brick, and fill were sold to help finance the redevelopment project. The development has had a significant impact on the City of Chester, bringing over 1,500 permanent jobs. ✓

***Golden Springs Economic Development Project, Monterey Park, California***

The Community Development Commission of the County of Los Angeles formed a partnership with the City of Santa Fe Springs and Golden Springs Development Company to finance the transformation of a defunct oil refinery and storage tank farm into a model industrial real estate development spanning 265 acres. The project added 3,239,000 square feet in leasable space that is almost fully occupied and added 1,400 jobs. ✓

**WORKFORCE DEVELOPMENT**

Workforce development programs offer job training for individuals to successfully compete in job markets.

***International Economic Development Council (IEDC) 2005 Excellence in Economic Development Awards***

***Women in Technology Project, Maui Economic Development Board, Kihei, Hawaii***

The project’s mission is to work in partnership with educators and businesses to create a pipeline from education to employment in science, technology, engineering, and math for Hawaii’s women, girls, and underrepresented populations. The program has made a notable impact in less than five years. The total female workforce at the Maui Research & Technology Park increased from zero percent in November 1999 to more than 25 percent as of December 2004. The WIT program is being expanded statewide. ✓

***Linking Economic Development and Workforce Development: New York City’s Cluster-Based Approach***

The city’s Department of Small Business Services completely overhauled the workforce development efforts by transforming an outmoded, fragmented system into a streamlined, cluster-based program for recruiting, training, and placing New Yorkers in jobs connected with the city’s strongest sectors. The new system revolves around a sales force comprised of nine industry desks. It has resulted in thousands of jobs for New Yorkers. ✓

*Capacity-Building in Emerging Applied Construction Technologies, the University of Toledo*

This is an innovative cluster-based economic development initiative with concentration on the construction industry. It is a market-driven partnership that focuses on applied technologies associated with key elements and functions of the “build environment” such as engineering, planning, design, construction contracting, and skilled labor trades. The program is jointly funded by the City of Toledo, the State of Ohio, and the U.S. Department of Labor. By involving private firms, construction trades councils, contractor associations, and engineering services firms, trainees have an inside track to employment upon completion.

*ICAPP Health Professionals Initiative, Georgia’s Intellectual Capital Partnership Program, Atlanta*

Recognizing the impending shortage of health professionals throughout Georgia, the ICAPP was formed as an economic development program of the University System of Georgia. Accelerated programs were developed for the training of selected health professionals. More than 1,300 Georgians have been licensed through the first two phases of the program. The new positions are expected to generate an annual payroll of \$45.2 million. ICAAP funds are also leveraging private cash and in-kind contributions. Sixteen public colleges and universities are involved in the program. ✓

***Highlighted in the January 2006 Issue of Expansion Management Magazine***

*Green Bay Packaging’s Arkansas Kraft Division in Morrilton*

Green Bay Packaging was awarded an Arkansas Incumbent Workforce Training grant by the Arkansas Department of Economic Development and the Workforce Investment Board to train approximately 100 employees in areas such as programmable logic controllers, adjustable frequency drive, predictive and preventive maintenance, and precision maintenance, and to provide additional training in other areas. The grant was for only \$49,812.50. Green Bay employs 356 people. The Incumbent Workforce Training Program is a model aimed at skills development of existing workers in high-growth, high-tech industries.

***CoreNet Global, Inc., 2005 Economic Development Leadership Accomplishment Award***

*“Local Business Local Jobs”*

A comprehensive marketing and outreach program making retention and expansion of existing industry a top priority in this Miami-Dade, Florida, community, the program enlisted the involvement of private employers to market job availability in the schools.

**INTERNATIONAL PROGRAMS**

These programs are intended to strengthen a state’s presence in the global economy. They may focus on improving exports, establishing trade missions, or encouraging foreign direct investment in the state.

## ***International Economic Development Council (IEDC) 2002 Best Practice Awards***

### ***Category Winner, Best Practice, Special Event***

*China Minnesota Ventures, Minnesota Department of Trade and Economic Development*

This event received category winner mention. The program is described as “the largest trade mission to China ever organized by any state.”

### ***National Governors Association***

The NGA Center for Best Practices singles out Ohio, Florida, Pennsylvania, Alaska, Virginia, North Carolina, New Hampshire, Hawaii, and Idaho for promoting international trade through arts and culture. The 2003 issue (NGA 2003) brief identifies five arts and cultural components of international economic development that can help build a “human infrastructure” abroad on a state level: cultural exchanges, “sister state” relationships, including cultural leaders on trade missions, grants to communities or schools, and commissions and bilateral agreements are utilized to a different extent by each of the states mentioned. Many of the states started building relationships with foreign communities through art and cultural exchanges as long as 40 years ago in some cases. These established networks are being used as a base to build business relationships and generate fresh ideas concerning economic development.

## **TOURISM AND DESTINATION MANAGEMENT**

Tourism continues to be a vital strategy in economic development at the local, state, national, and even international levels and is expected to grow considerably over the next several decades. A review of current best practices suggests that all activities related to tourism must be sustainable and respect the environment, the local and global economies, the social aspects of individual communities, and cultural identity.

### ***National Best Practices Awards, Georgia Tech Economic Development Institute, 2004***

#### ***Colorado Tourism Office***

The Colorado state website, [www.colorado.gov](http://www.colorado.gov), was revised and implemented by the State Archivist Team in 2002. This website benefits over 1,000 users monthly and is a significant improvement to the operation of Colorado state government. The website was designed with the look and feel of a portal, moving away from offering information based on the structure of government and into a subject- or category-based format. This site eliminates guesswork and allows users, from Web novices to government professionals, the ability of locating information intuitively and through more than one avenue.

#### ***Durham (North Carolina) Convention and Visitors Bureau***

The Durham Convention and Visitors Bureau offers a comprehensive website that can be translated by a click of the mouse into Spanish, German, Portuguese, Italian, or French. There are quick links to an event calendar, places to stay and eat, maps, image library, request for information, history and weather information, and also testimonials of former

visitors. There is an option to purchase travel packages and gifts and make travel and lodging reservations from the website. Most unique, there is an option to engage in a live online chat with a representative for instant one-on-one answers to any questions.

*Juneau (Alaska) Convention and Visitors Bureau*

The JCVB was established in 1985 with the purpose of increasing overnight stays of business and tourism travelers and increasing spending and tax revenues. Support for the bureau comes from the City and Borough of Juneau and membership dues from nearly 300 local businesses. Overall, the JCVB “seeks to ensure Juneau enjoys a more stable, sustainable year-round economy.” In addition to free travel planners, meeting guides, and a media center, the JCVB also publishes an online newsletter for its members. ✓

**2004 Innovation Awards Related to Tourism, National Association of Development Organizations (NADO)**

*Six-County Economic Development District: Paiute All Terrain Vehicle (ATV) Trail, Utah*

Fifteen years ago the district and its partners conceptualized this trail and cooperatively worked to connect 200 miles, consisting of right-of-ways across public and private lands. The trail is now enjoyed by more than 1,000 riders and features an annual ATV jamboree. ✓

*South Plains Association of Governments: Completion of the Historic Restoration of the Slaton Harvey House, Texas*

The goal is to advance innovation in Slaton by revitalizing a part of history through restoration of the historic 1912 Slaton Harvey House, transforming it into a transportation center, museum, and inn. ✓

**2005 Best Practice Awards Related to Tourism, International Economic Development Council**

*Partnership Award, Category Winner  
Millennium Park Project, Chicago, Illinois*

Millennium Park in Chicago is an award-winning center for art, music, architecture, and landscape design. It came about through a partnership between the City of Chicago and the philanthropic community. It comprises 24.5 acres and features the work of world-renowned architects, planners, artists, and designers. One feature is the Jay Pritzker Pavilion, the most sophisticated outdoor concert venue of its kind in the United States; the Crown Fountain by Jaume Plensa; the Lurie Garden; and the very popular Cloud Gate sculpture by Anish Kapoor. The park opened in July 2004 and has managed to attract more than 2.5 million people since, making it one of the most popular destinations in Chicago. ✓



## Emerging Trends

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Best practices may be understood as the best ways to perform a specific business function or process, such as developing or marketing a product, that become performance standards that others seek to emulate. Many best practices were identified and reviewed as part of this study; several themes emerged:

- The proliferation of business incentives has created a highly competitive environment, making a stable and knowledgeable staff at the state level a must. (For more detailed information on incentives, see Arend, Bruns, and McCurry 2005.) There is evidence that the importance of business incentives is on the rise. Don Iannone, a futurist and economic development consultant, reports in his *Economic Development Futures Web Journal* (Iannone 2003) that “U.S. companies report that they have been increasing their use of economic incentives and tax credits...but most still believe they have not realized many of the benefits available to them.” Quoting the findings in a survey by KPMG, LLP, the accounting and tax firm, he continues: “Among key findings, 63 percent of respondents said their companies increased the use of incentives and tax credits in the past five years.” Iannone went on to quote other KPMG survey findings, saying: “Job creation tax credits (64 percent) and sales tax exemptions (63 percent) were the most used state and local incentives and credits, followed by property tax abatement (52 percent), enterprise zone tax credits (51 percent), and job training/retraining benefits (5 percent).”

- New technology is not only developing at an astonishing speed, the market is adapting to it at an accelerating rate.

Dr. Willard Daggett of the International Center for Leadership in Education makes this point in an ICLE white paper, *Technology 2008: Preparing Students for Our Changing World* (Daggett 2002): “To achieve a 25 percent penetration rate in U.S. homes, it took 35 years for the telephone, 26 years for television, 16 years for personal computers, seven years for the Internet, and three years for personal digital assistants (PDAs).” This trend will not only require increasing technical skills on the part of workers, but also new and improved marketing techniques, channels of distribution, and even ways to create and retain information. The ripple effect is enormous and will spread across all forms of consumer goods and services and workforce training and education.

- States will continue to target specific industry sectors for development depending on advanced products and processes.

Life sciences will be a common sector targeted for research and development, with advanced manufacturing, alternative energy, travel and tourism, communications technology, and other value-rated sectors also targeted depending on geography and demographic shifts, natural resources, and existing research base.

- The cost, training, and availability of qualified workers will continue to be obstacles to economic development efforts nationwide.

This is a problem that individual communities are not prepared to deal with on their own, and will require state leadership and resources to address.

- Less populated states have made considerable shifts in organization and mission.

For example, while Wyoming no longer has a business attraction program, after the change in administrations in Utah in 2005, the state eliminated the traditional state agency and replaced it with a contract with a private corporation that operates the new “Governor’s Office of Economic Development.”<sup>2</sup> The absence of a staff and organizational infrastructure has caused Wyoming communities to “visit” Utah employers to encourage relocation considerations.

- Many things make economic development strategies difficult to evaluate, the trend toward evaluation of impacts, or at least outputs, is clear. Many of those best practice awards included evaluation and tracking activities to measure that impact. Accountability seems to be playing a stronger role in creating sustainability by allowing for the justification of the continuing investment in public funds

While best practices are important processes that can lead to successful programs, state economic development agencies will continue to need to adapt to diminishing resources, increasing global influences, changing information and communication technology, and growing demands from prospective clients. The state organization, whether public, private, or a hybrid, has gone from being an organization that could focus on a handful of well-understood, key industries in that state alone to an organization that must understand a broad range of existing—and *emerging*—industries in the state, region, and competitive areas around the world. Organizational structures, funding, operational strategies, and public policy must be positioned to respond to a future that promises greater challenges at a faster rate of change in an increasingly global market.

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<sup>2</sup>The State of Utah created the Governor’s Office of Economic Development with the passage of HB 318 during the 2005 General Session of the Utah Legislature, which split the Department of Community and Economic Development (DCED). The former Division of Business and Economic Development (DBED) and the Utah Division of Travel Development have formed the new Governor’s Office of Economic Development (GOED) ([www.goed.utah.gov](http://www.goed.utah.gov)).

## Conclusion

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The review of state agencies and their programs is a monumental task in which large amounts of data, opinions, indexes, lists, and examples of economic development practices must be examined. And even when best practices are identified, **evaluating** them will always be a difficult task.

While state economic development *agencies* can be measured by budget and staff size and be evaluated in relation to certain factors such as state population and gross state product, comparing *best practices* is much more difficult. Regulatory variations between states, the migration of people into/out of specific states, changing demographic characteristics, use of business incentives, the business cycle, and regional variations in attitudes toward new business start-ups quickly complicate the analysis when attempting to designate an endeavor a “best practice.”

A recurring theme that emerged from the literature reviews and personal interviews is that economic development is a long-term proposition. No matter how innovative a practice or program appears to be, time is the true test of performance. The location, expansion, or start-up of a unique enterprise must be measured over many years to determine the true cost/effectiveness of the services and programs utilized in the project. Therefore, a best practice must be evaluated over time and cannot be determined solely by holding a number one position in a national ranking in any single year.

Therefore, this report tried to mitigate the short-term focus by reviewing best practices across multiple years and drawing these best practices from both rigorous academic review conducted by researchers at colleges and universities as well as annual awards from institutions recognized at the regional, national, and international level as strong stewards of economic development theory and practice. This process resulted in the scan of major themes that cross economic development programs, and allowed the research team to explore emerging trends and themes that are not yet recognized as best practices.

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## Appendix A:

### *Organizational Structures*

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Today the focus of state economic development agencies can be classified into three broad areas: marketing, business retention/expansion, and new business development. General activities—including financial programs, technology commercialization, community development, research, infrastructure, housing, transportation, worker training, or one of many other programs—can be organized under these three classifications.

Most state economic development agencies in the United States are organized in one of two ways:

1. A state or executive agency creates and works closely with nonprofit corporations and foundations. These private nonprofits may focus on a particular area of economic development such as technology or business finance. For example, the Alabama Development Office cooperates with the Economic Development Partnership of Alabama, a 501(c)(6) private, nonprofit economic development organization supported by 69 private businesses in Alabama. Alabama also created an Economic Development Partnership of Alabama *Foundation*, a 501(c)(3) nonprofit that focuses on education and workforce development.
2. A state uses a nonprofit corporation as its main economic development entity. Enterprise Florida, Inc., the Indiana Economic Development Corporation, and Empire State Development in New York are examples.

The scope of responsibilities of state economic development agencies varies considerably by state. Of the fifty states, twenty list a tourism division on their website and fourteen have a film office. New Hampshire combines economic development and resources in its Department of Resources and Economic Development. Divisions include Parks and Recreation in addition to Travel and Tourism, Economic Development, Forests and Lands, and Design, Development & Maintenance. In contrast, the Ohio Department of Development has a very different profile. While both departments list a travel and tourism division, and a division of economic development, Ohio also includes more specialized economic development divisions such as the Communications and Special Projects, Strategic Research, Community Development, International Trade, Minority Business Affairs, Technology, and Urban Development.

Considering the variety of responsibilities that fall under each state's umbrella of economic development, staff size and payroll fluctuates significantly from one state to another. In a survey of state economic development agencies administered by the National Association of State Development Agencies (NASDA), 28 states reported staff size. Out of the 28 respondents, 22 reported staff in regional offices ranging from 2 in South Dakota to 132.43 in Wisconsin. Of the 25 states that divulged payroll information, 15 show payroll costs for foreign offices as low as \$150,000 (Tennessee) and as high as \$1,600,000 (Indiana). Total annual staff costs for the 25 reporting agencies average \$9.88

million, with the lowest reported cost a meager 2.6 million (South Dakota) and the highest \$42 million (North Carolina).

The NASDA survey also asked for funding information. The amount of state economic development funding was reported by 43 states. The average state expenditure was \$59 million, 38.3 percent of a state's total resources. The states report spending as little as \$2.54 million (Idaho) and as much as \$559 million (Illinois). However, this represents 16 percent of Idaho's resources and 71.8 percent for Illinois. The lows and highs in terms of state funding as a percentage of total resources are \$2.76 million in South Dakota, comprising only 6.5 percent of total resources, and \$12.68 million in New Mexico, 100 percent of total economic development funds. Louisiana reported spending the second highest percentage of its resources with \$83 million, 99.4 percent of total funds. Michigan acknowledged spending \$215 million, 73.5 percent of total resources.

Fewer states reported economic development funding from the federal government. From the 35 states that did, the average amount is just over \$40 million, which makes up 21.2 percent of total resources. New Hampshire shows only \$263,836 in total federal funding, just 8.6 percent of the states total resources. In contrast, Illinois reports \$219 million, the highest dollar amount, and still only 28.2 percent of total funding. There is a big step down to number two at \$135 million (Missouri) and that makes up almost half (48.0 percent) of total resources. New Mexico claims no funding from outside sources; Louisiana shows only 0.6 percent of total funding is represented by the \$500,000 from the federal government. The highest percentage is claimed by South Carolina, with 80.7 percent of its total funding coming from the \$65.31 million in federal resources.

## **Appendix B:**

### *Michigan Programs*

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#### ***Winners of CoreNet Global, Inc. – Economic Development Leadership Accomplishment Awards – 2005***

The Michigan Economic Development Corporation (MEDC) applied part of a state and local incentives package to a retention strategy for General Motors, and the company responded with an upgrade of two plants, plus \$300 million, 500,000-square-foot addition to another locally based plant.

#### ***Business Facilities Magazine's Silver Award for Economic Development Achievement – 2004***

The award in the "Biggest Deals \$500 Million+" category acknowledges the MEDC for securing the continuing profitability of two aging DaimlerChrysler automotive plants in Sterling Heights. The MEDC convinced the company to retool and improve the facilities instead of moving to another North American location. This accomplishment has saved 5,123 jobs directly, plus 15,659 spin-off jobs.

Michigan ranked the number one automotive power center in the nation. This is the second year in a row the state has received the publication's top ranking.

#### ***Site Selection Magazine – 2004***

Michigan named the number two location in the United States for new corporate facilities and expansions in 2004. The ranking is based on the number of new projects with at least \$1 million in investment, 20,000 or more square feet of new construction, or create 50 or more new jobs.

Michigan named second in the 2004 Competitiveness Ranking, which measures the best business climates around the country.

#### ***Office of Advocacy, U.S. Small Business Administration Small Business Innovation Research – 2003***

Michigan now ranks tenth in the nation for federal Small Business Innovation Research (SBIR) funding after posting a 75 percent increase between 2002 and 2003. The state's ranking is up from 16th in the nation in 2002, according to the latest data compiled by the U.S. Small Business Administration (SBA).

#### ***Best Practice Award, Regional Economic Incentives – 2005***

The Michigan SmartZone initiative was recognized for outstanding innovation in creating a collaboration between the State of Michigan, local communities, businesses, universities, and private firms to create new technology clusters in the state.



### ***Southwest Michigan Innovation Center-Stick Around Michigan/Kalamazoo Campaign – 2004***

The MEDC took category winner in 2004 for the International Economic Development Council Partnership Awards. This project was designed to seed and encourage life sciences in the area. The endeavor resulted in 11 new companies and hundreds of high-wage jobs.

### ***In-State Postcard Campaign – 2004***

The MEDC took category winner in 2004 for the International Economic Development Council General Purpose Promotion Awards. The campaign focused on increasing awareness of the MEDC and its products and services among Michigan businesses.

### ***National Advertising Campaign – 2004***

The MEDC took category winner in 2004 for the International Economic Development Council Paid Publication AD Campaign Awards. The campaign was designed for increasing awareness and increasing perceptions of Michigan as a high-tech business location.

### ***Technology Tri-Corridor (TX3) Newsletter – 2004***

The MEDC received honorable mention in 2004 for International Economic Development Council Best Newsletter Awards. The e-newsletter of the TX3 is a monthly publication that keeps readers informed about news, companies, and events.

### ***In-State Advertising Campaign – 2004***

The MEDC also received honorable mention in the 2004 International Economic Development Council Paid Publication Ad Campaign Awards. The campaign focused on increasing awareness of the MEDC and its products and services among Michigan businesses.

### ***Michigan Technology Growth Campaign – 2004***

“Technology Based Economic Development” was also awarded to the MEDC in 2004 by the International Economic Development Council. This program includes several steps for building a high tech future in the state. The Technology Tri-Corridor, Commercialization Initiative, Great Lakes Entrepreneur Quest, SmartZones, Business Accelerators and the Technology Awareness Campaign: Telling Michigan’s Story.

### ***Governor’s Cup Award from Site Selection Magazine – 2003***

Michigan took the Governor’s Cup for five years running based on the largest number of new plants established and registered in the Conway Data New Plant Database.

### ***Cool Cities Initiative – 2005***

This program appeared in the NGA Center for Best Practices article “Enhancing Competitiveness: A Review of Recent State Economic Development Initiatives.” This program, designed by Governor Jennifer Granholm, serves as an example of a revitalization program to attract and retain workers. Examples of Cool City pilot programs are youth entrepreneurship training, a waterfall park, and tolerance training.

The programs received catalyst grants and have access to other state grants, loans, and resources.

***Small Times Magazine – 2005***

Michigan ranked fifth in the United States for the development of micro- and nanotechnology. Michigan had a strong showing in the category of venture capital devoted to small tech, advancing to number 3 in the nation from last year's rank of number 9.

***U.S. Investment Monitor by Ernest & Young LLP – 2005***

Michigan attracted \$6.5 billion in major corporate capital investments involving 213 projects and 32,474 new jobs last year, second only to Texas. A key factor was Michigan's success in attracting international investment. International companies accounted for 21 percent of planned capital expenditures in Michigan, representing the third highest level of foreign investment in the nation.